

California Air Resources Board Public Hearing Fresno, CA June 14, 2007

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Alliance Members

BMW Group



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TOYOTA



General Motors

mazda

Daimler Chrysler .





Recommendation

>It's time for 10 ppm (ULSG) in California

- Lower emissions
- New fuel efficient technology (lean burn gasoline engines)
- Since 1999, ARB's goal has been to break even on emissions, instead of reducing them, which increases burden on other sectors
- ~ California losing leadership position



Sulfur Trends for LA+SF[‡]

4	Year	Max	Min	Average*
California	1999	60	10	24
refiners, as	2000	20	10	13
in Japan	2001	34	5	14
and	2002	. 22	1	11
Europe,	2003	23	2	9.6
have sold	2004	16	4	14
ULSG for	2005	15	4	9.0
years	2006	19	3	9.1



[‡]Alliance of Automobile Manufacturers North American Fuel Survey

*Rounded to nearest 2 significant figures

Alternative

- Adopt voluntary ULSG certification and labeling program
- Existing program fails to reward refiners for over complying
- Market-based incentive will help progressive refiners

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Other Issues

- * Predictive Model: Proposal reasonable
 - S-NOx curve is not too steep, reflects newer vehicle sensitivity
 - Tech 4 Dual Model: new analysis too late for Alliance position; concern about impact on sulfur
- * Ethanol, for the record
 - Alliance supports E10—new Predictive Model will allowand E85, but not mid-level blends for conventional vehicles without demonstration of no harm
 - E10 cert fuel: would change emission standards; raises big/numerous issues requiring significant resources; view with caution

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Thank you

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